

City of Whitehorse
COUNCIL POLICY

POLICY: **CONSULTING SERVICES SELECTION PROCEDURES**

PURPOSE: To provide a set of guidelines to be used by administration to secure professional consulting services.

AUTHORITY: Council Resolution #2011-13-14 dated July 11, 2011.

**PROCEDURES FOR THE SELECTION OF
PROFESSIONAL CONSULTING SERVICES**

Introduction

From time-to-time the City requires the services of professional consultants in a number of disciplines including, but not limited to, engineers, planners, architects, landscape designers, computer and software designers and management, all with varying skill sets. These guidelines were developed with the assistance of the Consulting Engineers of Yukon.

Objectives

1. To provide guidelines to accompany the Contract Administration Manual in order to more clearly define the processes and expectations of Council in the selection of consulting services.
2. To identify common characteristics of terms of reference to assist administration in ensuring all of the information necessary to allow for a successful proposal call has been made available.
3. To establish an acceptable template for the rating of proposals and the award of contracts.
4. To decrease the subjectivity of ratings as much as is reasonably possible.

Scope

These guidelines apply to all requests for proposals to retain consulting services for the City of Whitehorse including, but not limited to, engineering, planning, architectural, landscape design, computer and software design and management.

All awards of contracts for consulting services shall be completed in accordance with the Contract Administration Manual and the Purchasing Policy as updated from time to time.

Proposal Defined

A proposal is a package of information put together by a consultant that outlines a number of matters for consideration by the municipality when they are hiring

professional services. Proposals are usually assembled in response to a call for proposals and address terms of reference assembled and issued by administration.

A proposal differs from a tender. Both request someone, or a firm, to submit on performing services for the municipality. A tender will outline the criteria to such a degree that the only real variable is cost. Therefore the award of tenders is almost always based on the lowest bid, unless there are mitigating circumstance that would disqualify the low bid.

Cost in a proposal is only one variable to be considered. When hiring professional services for a project factors other than price must be taken into account to ensure that the municipality receives the best value for the money expended.

The municipality defines the project, the scope, anticipated completion date, and in some cases, a range of funds available, so the consultant can put their proposal in context. The City would not, however, stipulate experience required or project methodology. They would review the proposals and take the firm with the experience and methodology that they believe would then allow taxpayers to get the best job for their money.

From time to time the City may elect to solicit proposals for Design / Build Projects. Proposals for this type of service typically require that firms combine several areas of expertise and necessitate the assembly of a team representing various industries or disciplines. Design / Build projects may include first soliciting an expression of interest prior to issuing a proposal call.

While terms of reference and rating procedures are essential to competition, it should never be the intent to make the process so complex that it wastes resources or the consultant's time in preparing them. There will always be some subjectivity involved in the rating of proposals, where there should be none in a tender.

Critical Steps

The following ten steps are required for the selection of consultant services under the proposal call process:

1. **Project Approval** – Council considers projects proposed for the subsequent year at budget discussions and approves them with their annual budget.
2. **Rating Criteria Approval** – The responsible Department Manager sets the maximum assigned weight allocation for the specific rating areas within the parameters specified in Appendix "A". The Manager shall provide written rationalization of the weighting assigned to each criteria based upon the importance of each criteria to the objectives of the project. Where zero weighting is an option (Schedule and Local Content), zero shall only be used in cases where there is clearly no benefit to the City or the proponent for the criteria to be evaluated.

In instances where Council has expressed a desire to set the assigned weightings, the Department Manager will provide a written recommendation to Council regarding the assigned weights. Council will then consider, possibly revise and approve the final assigned weight allocation.

3. **Terms of Reference** – The responsible Department Manager is responsible for drafting the terms of reference and setting the schedule for the project. These steps are done administratively as it is the Department Manager that has the most knowledge of the desired outcomes and the scope of the project. Thus it falls within the Department Manager’s area of expertise and needs to be worked into the department’s schedule.

The terms of reference are to include the specific sections as indicated in Appendix “B”

4. **Call For Proposals** – Calls for proposals will be issued by the responsible Department Manager and shall follow the City of Whitehorse Purchasing and Sales Policy as updated from time to time. Advertising for public submissions shall be done in a minimum of local City newspapers and the City of Whitehorse website, unless waived by Council. A minimum period of two weeks shall be allowed for formal advertising. A requirement for a local presence may form part of the terms of reference for specific projects where it is deemed essential to the success of the project. Any firm, regardless of physical location, is eligible to submit a proposal. For projects that fall below the prescribed monetary limits, as defined in the purchasing policy, administration may issue invitational proposal calls or sole source directly.
5. **Terms of Reference Briefing** – In some cases, where the project is unusual or if the municipality believes it may be beneficial, the City may, after issue of the RFP, have meetings to answer questions on the terms of reference or clarify issues raised by the potential respondents. If issues are raised in those meetings which warrant a possible change in the RFP as written, then an addendum to the RFP shall be issued.
6. **Proposals Rating** – The Department Manager responsible for the project will assemble an administrative team of at least three people, one of which will be the Department Manager or person designated, who will then rate the proposals received in accordance with the terms of reference. A standardized evaluation form shall be developed in consultation with the administrative team that will be used to evaluate the proposals based on the weighted criteria. The evaluation form along with the terms of reference and copies of each proposal are to be distributed to the administrative team well in advance of the administrative team meeting as a group to formally review the proposals. The Department Manager or person designated will distribute only the proposals for review and will hold back and maintain in a secure location the fees section of the proposal, which is to be submitted in a separate sealed envelope. Fees will be opened and evaluated separately only after the entire administrative team as a group has finalized their rating of the first four areas as defined in Appendix “A”.

When rating proposals, the team shall use the rating areas to determine whether:

- (1) The consultant has the capability to carry out the work, bearing in mind: the size, complexity and time constraints of the job; the number, qualifications and experience of personnel to be assigned or made available to the job; the

- firm's experience and satisfactory performance on similar projects; and the firm and team's level of local knowledge.
- (2) The proposed approach to the problem will likely produce the desired results considering: the management of the work; delegation of responsibility; work plans, scheduling and cost control; reporting methods and quality control; the proposed methodology and innovation to the work; and all sub-consultants to be utilised.
 - (3) The estimated cost for the work is realistic and the proposed fees are reasonable. The complexity of the fee structure should be analysed to ensure that the amounts included are in line with those normally used for the type of service and that they are all inclusive. The Manager of the originating Department could undertake negotiations on fees with the highest rated firm if the adjusted fee is over the budgeted amount for the project.

Each proposal is to be evaluated individually by the members of the team. The ratings are then to be discussed with the team, adjusted if required and then averaged to obtain a final rating for each rating area.

The sum of the final averaged ratings for the first four evaluation criteria, project team, methodology, past relevant experience and local preference, will be determined and compared to a Technical Points Threshold. The Technical Points Threshold is calculated as 80% of the total maximum assigned weights for each of the first four evaluation criteria areas.

Consultants whose proposals score above the threshold will be considered further in the evaluation process. Those proposals that score below the threshold will be returned to the consultants with the fee envelope unopened, utilizing a Return of Proposal Letter as illustrated in Appendix "C".

Once scoring of the first four evaluation areas has been completed, the fee envelope will be opened, discussed with the team, the Consultant and adjusted if necessary with the written acknowledgement of the consultant. The Adjusted Fees will then be scored.

Adjustments to fees are undertaken to ensure that a level playing field exists. The types of items that may be adjusted include, but are not limited to: number of hours of construction inspection; number of hours to undertake C.C.C. and F.A.C. inspections; number of hours of public consultation; number of hours of meetings; value of chargeable disbursements; and the addition or deletion of optional items.

In order to make the process as quantitative as possible Department Managers are urged to specify in advance such items as: the number of hours of inspections; the number of Public consultation meetings; the number of tenders to be let; the number of sets of contract documents or reports to be printed etc.

The Adjusted Fees will then be scored.

A final rating for each of the proposals will then be determined by summing the average rating for the first four criteria and the rating for the Adjusted Fees & Yukon Content. The proposal with the highest overall score is the highest ranked proposal.

In the event that there is a spread of 5% or less between the top ranked consultants, the rating team may, at their sole discretion, interview the consultants. Once the interviews are complete the rating team shall revisit their rating and make any adjustments deemed necessary as a result of the interview.

The Administrative recommendation for award of the contract shall be to the highest ranked proposal.

In the event that the Adjusted Fees of the highest ranked proposal exceed the budget the responsible Department Manager is authorized to negotiate, with the highest ranked consultant, a lower, more acceptable fee with the consultant. Should the Department Manager and the consultant not be able to negotiate the Adjusted Fees to the budget, significant redefining of the scope may then be required. The proposal call should be cancelled and an amended Request for Proposal should be issued.

The Administrative recommendation shall be written in the form of an Administrative Report.

7. Keeping of Records – The City shall maintain one copy of the terms of reference, each firm’s proposal, Rating Format sheets, individual evaluator notes and the Administrative Report only for those Proposals that meet the Technical Points Threshold. These documents shall be bound and maintained as one document for each proposal received and are to be considered confidential.
8. Award – If the size of the contract falls within the purchasing limits of administration, a recommendation from the rating team will be submitted to the appropriate purchasing authority. If the size of the contract warrants council’s attention, a recommendation will be made to the appropriate standing committee. In the event that the award may be deemed to be controversial, Council shall be given an in-camera briefing on the project and the recommendation for award.

Letters of Award and Non Award as contained in Appendix “D” and “E” respectively shall be issued by the Department Manager accordingly.

9. Contract – For contracts valued at \$50,000.00 or more, the Letter of Award will be accompanied by a Consulting Services Contract for the successful firm to execute. The contract is to be based on the City’s standard consulting services contract and the proposal submitted by the successful firm.
10. Debriefings – Consultants submitting on City projects will be offered the opportunity for a thorough debriefing. The goal of the debriefing is to assist firms in improving their proposals for future projects. The debriefing will only discuss the point rating of the consultant being debriefed. Areas for improvement will be discussed on a comparative basis only without divulging the point values of other consultants or any proprietary information. Debriefings may be either verbal or written at the discretion of the Department Manager. Appendix “F” provides an example of a written debriefing form.

■2011-07-11

APPENDIX “A”
RATING OF PROPOSALS

Proposals shall be evaluated only on the degree to which they fulfil the criteria in the following Rating Format Table. The criteria are explained in detail further on in Appendix “A”.

These criteria are suitable for all projects including, but not limited to, those involving engineering, architectural, planning, landscaping, computer, software and management consultants. Where projects necessitate extraordinary requirements, additional criteria, or amended of criteria, shall be decided before calling for proposals.

The Assigned Weight column in Table A shows the range of weights that could be assigned for each of the four criteria.

The Assigned Weight shall be as set by the Department Manager unless Council directs otherwise. The sum of the Assigned Weight for all of the criteria should equal 100 points. In no case shall the Assigned Weights be changed after the RFP has been issued. In instances where Council has expressed a desire to set the assigned weightings the Department Manager will provide a written recommendation to Council regarding the assigned weights. Council will then consider, revise and approve the final assigned weight allocation.

RATING FORMAT TABLE

	CRITERIA	ASSIGNED WEIGHT	SCORED WEIGHT	REMARKS
1.	Project Team - personnel to be assigned or made available to the project.	10 – 30		
2.	Methodology/Approach proposed by firm (includes Project Understanding).	5 – 30		
3.	Past relevant experience and performance	15 – 25		
4.	Schedule	0 – 10		
5.	TOTAL Technical Points			
6.	Technical Points Threshold (80% of the Total Maximum Technical Points)			
7.	Adjusted Fees (SEE NOTE 1)	10 - 60		
8.	Local Content	0 – 20		
9.	TOTAL Non-Technical Points			
10	TOTAL POINTS	100		

NOTE 1: For Value Driven projects the Assigned Weight for Adjusted Fees shall not be higher than 25%. For Price Driven projects the Assigned Weight for Adjusted Fees may go as high as 60%.

Value Driven projects are defined as projects where the scope of work requires specific expertise from within a project team and where price is not a key factor. Value driven contracts propose a solution to a problem, need, or objective, under stated terms and conditions, and require professional consulting services.

Price driven projects are defined as projects where the methodology follows an accepted practice or a set of prescribed specifications and or drawings, and the final deliverables require only minor professional interpretation.

DETAIL DESCRIPTION OF RATING CATEGORIES

1. Project Team – This evaluates the breadth and depth of the human resources that will be assigned or made available to the project. Evaluators will ensure that all required disciplines are appropriately represented and will gauge and rate the knowledge of team members. The review will include individuals and sub-consultants and the assessment will be based on resumes, first-hand knowledge and reference checks. Proponents are required to submit experiential knowledge on similar related projects as well as technical, academic and professional qualification of each member of the Project Team. Engineered designs must be stamped by an engineer registered with the Association of Professional Engineers of Yukon.
2. Methodology/Approach – This is designed to evaluate the soundness of the approach and philosophy to be employed by the firm in completing the work. Evidence must be provided to show that the proponent has a clear understanding of the project and has carefully considered the requirements of the project and the methods necessary to ensure that the project is proactively and successfully completed. The proponent must also demonstrate a clear understanding of the client's objectives and make note of any project specific constraints. Proposals must contain clear information that addresses the RFP and are to be graded more on quality than the quantity of responses.
3. Past Relevant Experience and Performance – This evaluates the proponent based on the experience and performance of the firm as well as key staff for the project on similar related projects. Points will be assigned in accordance with the number of similar projects completed and the quality of references provided. The City reserves the right to contact representatives of previous clients who have first-hand knowledge of their past relevant experience and performance, including Yukon and Federal Governments, First Nations, other City departments as well as other municipalities or any other agencies suggested by the proponent,. It is therefore important that the proponent produce a comprehensive list of previous related projects undertaken by the firm, related projects that key personnel have worked on and the clients they have worked for so that these inquiries can be made. Evaluators will not be limited to the proponent's references and may consider comments from other known former clients.

4. Schedule – The proponent shall review the schedule proposed in the RFP and the proposal shall clearly indicate the proposed schedule for each required major activity for the work and include all significant milestones. If suggesting changes to the dates of the preliminary schedule the proponent must explain why the changes are suggested. The proponent will not have points deducted for suggesting changes unless the changes are put forth without justification or have significant impact to key milestones or completion date.
5. Total Technical Points – This is the sum of the final averaged ratings for the first four evaluation criteria: Project Team, Methodology, Past Relevant Experience and Schedule.
6. Technical Points Threshold – This is a calculated number and is to be 80% of the sum of the total assigned weights for each of the first four evaluation criteria areas.
Proposals that score above the threshold will be considered further in the evaluation process. Those proposals that do not score above the threshold will be returned to the Consultants with the fees unopened.
7. Adjusted Fees – This evaluation area looks at the person hour estimates and rates for the project team plus disbursements and sub-consultants. The City shall use a modified two-envelope system for fees, meaning fees shall be submitted in a separate, appropriately marked envelope and will be evaluated separately and after the evaluation team has completed their evaluation of the above noted 4 criteria. The fee envelope shall be held back and maintained in a secure location by the Department Manager.

Fees may be adjusted by the City to ensure commonality where deemed necessary only with the knowledge and written approval of the consultant. Adjustments to fees are undertaken to ensure that a level playing field exists. The types of items that may be adjusted include, but are not limited to:

- Number of hours of construction inspection;
- Number of hours to undertake C.C.C. and F.A.C. inspections;
- Number of hours of public consultation;
- Number of hours of meetings;
- The value of chargeable disbursements; and
- The addition or deletion of optional items.

When the City determines that a fee adjustment or more information pertaining to fees is required, the Department Manager will contact the consultant. The Department Manager will inform the consultant of the proposed changes, requirements for additional fees or information. The consultant will submit a letter either agreeing or disagreeing to the adjustment as proposed by the City and will provide additional information pertaining to fees as required.

In order to make the process as quantitative as possible Department Managers are urged to specify in advance such items as: the number of hours of inspections; the number of Public consultation meetings; the number of tenders to be let; the number of sets of contract documents or reports to be printed etc.

For rating purposes, fees will not include G.S.T.

All Adjusted Fees that are below budget will receive 20% of the maximum point value specified in Item 7 of Table A, Appendix "A". The lowest adjusted fee will score 80% of the maximum point value specified in Item 7 of Table A, Appendix "A". A calculated highest Adjusted Fee determined to be 50% higher than the lowest fee will receive 0 points. All other fee submission will receive points prorated accordingly between these two values over the 80% point spread.

8. Local Content

This evaluation criterion rewards local firms and encourages partnerships between local firms and non-local firms with specialized expertise. Given that local content information and information presented in the development of fees must align, Local Content shall be submitted in the same envelope as the Fees. Proof of Local Content such as Yukon Health Card; business office address and City of Whitehorse Business Licences must be included as backup information in the evaluation. Proponents will be evaluated as follows:

- Proponent has a local office* and will use predominantly⁺ local-based staff^{+*} for project – 100%
- Proponent has local office and will use predominantly non-local based staff – 75%
- Non-local based proponent using predominantly Yukon firms as sub-consultants /staff – 75%
- Proponent has local office and will use non-local based staff – 50%
- Non-local based proponent using one or more local firms as sub-constants – 25%
- Non-local based proponent – 0%

***Local office** means an office located within the municipal boundaries of the City of Whitehorse accompanied by a City of Whitehorse Business License.

⁺**Predominantly** means at least two thirds of the local time allocation for the project.

⁺***Local-based staff** means staff holding a Yukon Health Card.

9. Total Non-Technical Points – This is the sum of the rating for the adjusted fees and for the average rating for Yukon Content.

10. Total Points – A final rating for each of the proposals will then be determined by summing the final averaged ratings for the first four evaluation criteria and the rating for Adjusted Fees and Yukon Content. The proposal with the highest number of Total Points is the highest ranked proposal.

APPENDIX “B”

REQUEST FOR PROPOSALS AND TERMS OF REFERENCE

Request For Proposals

A request for proposals shall contain: a statement of the work required; any supporting documentation and data relating to the work; the closing date for submissions; and any instructions governing the information that the firm shall include in its proposal.

The City may request letter type proposals for smaller projects and may place parameters on the number of pages, font size, margins and line spacing as deemed appropriate.

Terms of Reference

The terms of reference for a project should adequately describe the outcomes desired and the information available to the consultants to assist them in preparing their proposals.

When an extraordinary requirement(s) are critical, the requirement(s) shall be stated explicitly. For example, where scheduling is critical, the request for proposal shall contain a statement such as, “if the firm cannot satisfy deadline requirements, it is not appropriate to submit a proposal.” Where a local presence is required by the successful consultant, this shall be stipulated as well.

Depending on the project and the circumstances, it may be appropriate to send the draft terms of reference and call for proposals to selected people in the field for review prior to the final draft being made available. This should never provide a benefit to one firm over another.

Terms of reference may include but are not necessarily confined to the following:

1. Mission – A short statement of purpose for the work.
2. Background – A statement outlining the situation leading to the requirement for a proposal call.
3. Objectives – Specific statements describing that which is to be achieved.
4. Scope and Constraints – A description of the range, extent and bounds of the work. This section would also detail any special considerations that the consultant should be aware of, i.e. Grants, etc. It could also detail public meetings required, notice requirements, meetings, etc. Details of any constraints imposed such as City policies and standards, current and proposed related activities, security, sensitivity to other interest, protection of the environment, conservation of resources and other relevant restrictions.
5. Location – Will be specified only if required.
6. Resources – Details of available City of Whitehorse support and City responsibilities. List and availability of relevant documents. The relevant list of documents shall be complete and the documents themselves shall be assembled and made available for viewing by consultants.

7. Schedule – A time schedule for the completion of each stage of the work and for the entire work.
8. Reporting Requirements – Includes progress reports, Council reports, Advisory or Steering Committee reports and other control procedures to be applied by the City during the work.
9. Financial Limitations – The project budget and breakdown, if applicable, within which the work is to be performed.
10. Administration – The day to day contact person for the City and any other approval and acceptance requirements relating to performance of the several stages and of the work as a whole. Also include assignment for the recording of meetings and the preparation and distribution of project materials.
11. Content of Proposals – This section will describe the manner in which the consultant is to organise the proposal by spelling out the required table of contents.
12. Insurance Requirements – The specific insurance coverage and levels required will be specified. The type and levels will be as set in accordance with the City's risk management practices.
13. Evaluation of Proposals – The criteria, on which the proposals will be evaluated, the assigned weights for each evaluation criteria and the panel that will undertake the evaluation will be specified.
14. Contract Award – Indicate who will award the contract and that the proposal submitted by the consultant will form the basis for a contract between the City and the successful consultant.
15. End use of the project – This may not always be required but it is a good way to end the terms of reference on a positive note by explaining what use will be made of the work requested. It need only be very short but indicate how important the project is to the community.

APPENDIX "C"
RETURN OF PROPOSAL LETTER

DATE:

File #

ADDRESS

Dear:

RE: NAME OF PROJECT

AWARD FOR CONSULTING SERVICES

Please be advised that during the review of the proposals for the above noted project your proposal was found to score below the 80% threshold for the sum of the first four evaluation criteria areas of: Project Team, Methodology/Approach, Past Relevant Experience/Performance and Schedule. As is stated in the Procedures for the Selection of Professional Consulting Services your proposal will not be considered further. Your proposal and unopened fee envelope are being returned to you.

Please feel free to contact the undersigned to arrange for a debriefing meeting.

Respectfully yours,

THE CITY OF WHITEHORSE

Attach.

APPENDIX "D"
STANDARD AWARD LETTER

DATE:

File #

ADDRESS

Dear:

RE: NAME OF PROJECT

AWARD FOR CONSULTING SERVICES

We are pleased to advise you that **COMPANY** has been awarded the Consulting Services Contract for the above noted project.

Purchase Order # _____ in the amount of \$ _____ including GST has been issued for the work. For your information and records, a copy of the Administration Report has been attached.

A standard Consulting Services Contract has been prepared and attached for your review and signature. Please execute and return all three copies for further processing.

Please contact **PERSON WHO IS HANDING PROJECT** to arrange a project start-up meeting as soon as possible.

Should you require any further information please contact the undersigned at _____

Respectfully yours,

THE CITY OF WHITEHORSE

Attach.

APPENDIX "E"
STANDARD NON-AWARD LETTER

DATE:

File #

ADDRESS:

Dear:

RE: PROJECT

AWARD FOR CONSULTING SERVICES

Please be advised that the Consulting Services Contract for the above noted project was awarded to **COMPANY**. The City thanks you for the time and effort put into your proposal. For your records, we have attached a copy of the Administration Report prepared for the award.

Please feel free to contact the undersigned to arrange for a debriefing meeting.

Respectfully yours,

THE CITY OF WHITEHORSE

Attach.

APPENDIX "F"

STANDARD WRITTEN DEBRIEFING FORM

(Should the Evaluation Team decide to issue a written debriefing, this template could be used to guide their approach. Verbal debriefings are acceptable as long as they are thorough.)

Name and Address of Firm

RE:

Dear Sir or Madam:

Thank you for your proposal dated _____ for the above referenced project. On this project we received proposals from the following firms.

1. _____
2. _____
3. _____

We evaluated these proposals in accordance with our Policy on the Selection of Professional Consulting Services. We regret to inform you that your proposal was not accepted. The successful proposal was submitted by _____. Your proposal, in relation to the rating areas, was scored as indicated below.

1. (Indicate items as noted in the Rating Format.
- 2.
- 3.

As part of our procedure on debriefing firms, we attempt to indicate to the unsuccessful firms areas that could be improved upon for future proposals. The completed detail Rating Forms are treated as confidential and are not open for discussion.

We appreciate the time and effort you spent in preparing your proposal and look forward to your continued interest in working with the City of Whitehorse.

Respectfully yours,

Department Manager